



THE SENIORS COALITION

Working for a Responsible America

October 6, 2006

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: CC Docket No. 96-45
WC Docket No. 05-337
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

On September 28, 2006, Phil Theodousi, Director of Government Affairs, and I, Chairman, Policy Advisory Council, both of The Seniors Coalition, met with Commissioner Robert M. McDowell, John W. Hunter, Chief of Staff and Senior Legal Advisor to Commissioner McDowell, and Angela E. Giancarlo, Legal Advisor to Commissioner McDowell. The purpose of the meeting was to brief Commissioner McDowell and his staff on The Seniors Coalition's concerns regarding the Federal Universal Service Fund (USF) and proposed changes to that fund.

As we explained to Commissioner McDowell and his staff, The Seniors Coalition is a broad-based group which represents the interests of America's senior citizens on public policy matters affecting their lives and economic well-being. The Seniors Coalition is concerned that proposals to increase the amounts which seniors and which low income users must contribute to the USF will increase the costs to both groups of obtaining telecommunications service, and that such cost increases will drive many seniors and many low income consumers (including seniors) off the public telecommunications network. For that reason, the Seniors Coalition opposes proposals to abandon the current revenue-based USF contribution methodology and to replace it with a contribution methodology based on assessments on working telephone numbers. Moreover, the Seniors Coalition described to Commissioner McDowell the importance of controlling the distribution of USF funds, particularly high cost support, and expressed its support for a reverse auctions distribution method rather than the currently-used "cost plus" method in which incumbent

local exchange carriers receive high cost support based on their embedded costs, even where other providers can deliver service with less support.

During the meeting, we provided to Commissioner McDowell a report prepared for The Seniors Coalition by Professor Thomas W. Hazlett, Professor of Law & Economics and Director, Information Economy Project, George Mason University. That report, entitled "Universal Service Telephone Subsidies - What Does \$7 Billion Buy?", is enclosed herewith. Also enclosed herewith is a survey conducted for the Seniors Coalition by Opinion Research Corporation in March 2006. That survey assesses the impact of government-imposed fees, including USF fees, on the ability of seniors to afford telecommunications services. Among its conclusions are that one-half of seniors would feel a need to reduce their long distance usage if their telephone bills increased by \$1.00 to \$2.00 per month; that sixty-two percent of low income seniors would reduce their long distance usage if their telephone bills increased by \$1.00 to \$2.00 per month; that seventy percent of seniors believe that taxes and fees on their phone bills are too high; that one-third of seniors already have reduced their use of long distance to save money for such necessities as prescription drugs, heating bills and other energy charges, and other necessary expenses; and that seventy-nine percent of seniors report living on fixed incomes. A copy of the Opinion Research Corporation survey report also is enclosed herewith

Pursuant to Section 1.1206(b) of the Commission's Rules, this notice is being filed electronically in the above-captioned dockets. If you have any questions regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mac Haddow", with a stylized flourish at the end.

Mac Haddow

Enclosures

cc: The Honorable Robert M. McDowell
Mr. John W. Hunter
Ms. Angela E. Giancarlo